



Department of the Treasury
Internal Revenue Service

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Draft Excerpts from Miscellaneous Tax Form Instructions

For use in preparing
2003 Returns

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Caution: DRAFT WORKSHEETS

This publication contains early release drafts of selected worksheets from miscellaneous tax form instructions. The worksheets are subject to change before they are officially released. The drafts will appear only on the internet.

If you have comments on any of the draft worksheets, you can submit the comments to us on our web site. Include the word **DRAFT** in your response and the "Proof as of" date. You may make comments anonymously, or you may include your name and e-mail address or phone number. We cannot respond to all comments due to the high volume we receive. However, we will consider each suggestion carefully.

Introduction

This publication contains draft worksheets and tables from miscellaneous Tax Form Instructions for tax year 2003. We are making these drafts available to help you plan for the coming filing season. This publication is only available on the Internet.

The status of the worksheet or table will be shown in the overlay. For example, the worksheet may show "Proof as of July 25, 2003 (Subject to Change)."

A new version of a worksheet or table will be posted only if there is a change in the computation. The final version of the worksheet will be posted as part of the ok-to-print instruction product.

Schedule D Tax Worksheet—Line 50

Complete this worksheet only if line 15d, column (2), or line 15e, column (2), of Schedule D is more than zero.

Exception: Do not use this worksheet to figure the estate's or trust's tax if line 15a, column (2), or line 16a, column (2), of Schedule D or Form 1041, line 22, is zero or less; instead, see the instructions for Schedule G, line 1a of Form 1041.

1. Enter the estate's or trust's taxable income from Form 1041, line 22 **1.** _____
2. Enter qualified dividends, if any, from Form 1041, line 2b(2) **2.** _____
3. Enter the amount from Form 4952, line 4g **3.** _____
4. Enter the amount from Form 4952, line 4e **4.** _____
5. Subtract line 4 from line 3. If zero or less, enter -0- **5.** _____
6. Subtract line 5 from line 2. If zero or less, enter -0- **6.** _____
7. Enter the **smaller** of line 15a, col. (2) or line 16a, col. (2) from Sch. D **7.** _____
8. Enter the **smaller** of line 3 or line 4 **8.** _____
9. Subtract line 8 from line 7. If zero or less, enter -0- **9.** _____
10. Add lines 6 and 9 **10.** _____
11. Add lines 15d, column (2) and 15e, column (2) from Schedule D **11.** _____
12. Enter the **smaller** of line 9 or line 11 **12.** _____
13. Subtract line 12 from line 10. **13.** _____
14. Subtract line 13 from line 1. If zero or less, enter -0- **14.** _____
15. Enter the **smaller** of line 1 or \$1,900 **15.** _____
16. Enter the **smaller** of line 14 or line 15 **16.** _____
17. Subtract line 10 from line 1. If zero or less, enter -0- **17.** _____
18. Enter the **larger** of line 16 or line 17. **18.** _____
- If lines 15 and 16 are the same, skip lines 19 through 28 and go to line 29. Otherwise, go to line 19.**
19. Subtract line 16 from line 15 **19.** _____
20. Add line 16b, column (2) (from Schedule D) and line 6 (above) **20.** _____
21. Enter the **smaller** of line 19 or line 20 **21.** _____
22. Multiply line 21 by 5% (.05) **22.** _____
- If lines 19 and 21 are the same, skip lines 23 through 28 and go to line 29. Otherwise, go to line 23.**
23. Subtract line 21 from line 19 **23.** _____
24. Enter the estate's or trust's allocable portion of qualified 5-year gain, if any, from Schedule D, line 15c, column (2) **24.** _____
25. Enter the **smaller** of line 23 or line 24 **25.** _____
26. Multiply line 25 by 8% (.08) **26.** _____
27. Subtract line 25 from line 23 **27.** _____
28. Multiply line 27 by 10% (.10) **28.** _____
- If lines 1 and 15 are the same, skip lines 29 through 47 and go to line 48. Otherwise, go to line 29.**
29. Enter the **smaller** of line 1 or line 13 **29.** _____
30. Enter the amount from line 19 (if line 19 is blank, enter -0-) **30.** _____
31. Subtract line 30 from line 29. If zero or less, enter -0- **31.** _____
32. Add line 16b, column (2) (from Schedule D) and line 6 (above) **32.** _____
33. Enter the amount from line 21 (if line 21 is blank, enter -0-) **33.** _____
34. Subtract line 33 from line 32 **34.** _____
35. Enter the **smaller** of line 31 or line 34 **35.** _____
36. Multiply line 35 by 15% (.15) **36.** _____
37. Subtract line 35 from line 31 **37.** _____
38. Multiply line 37 by 20% (.20) **38.** _____
- If Schedule D, line 15d, column (2) is zero or blank, skip lines 39 through 44 and go to line 45. Otherwise, go to line 39.**
39. Enter the **smaller** of line 9 (above) or line 15d, col. (2) (from Schedule D) **39.** _____
40. Add lines 10 and 18 **40.** _____
41. Enter the amount from line 1 above **41.** _____
42. Subtract line 41 from line 40. If zero or less, enter -0- **42.** _____
43. Subtract line 42 from line 39. If zero or less, enter -0- **43.** _____
44. Multiply line 43 by 25% (.25) **44.** _____
- If Schedule D, line 15e, column (2) is zero or blank, skip lines 45 through 47 and go to line 48. Otherwise, go to line 45.**
45. Add lines 18, 19, 31, and 43 **45.** _____
46. Subtract line 45 from line 1 **46.** _____
47. Multiply line 46 by 28% (.28) **47.** _____
48. Figure the tax on the amount on **line 18**. Use the 2003 Tax Rate Schedule on page 21 **48.** _____
49. Add lines 22, 26, 28, 36, 38, 44, 47, and 48 **49.** _____
50. Figure the tax on the amount on **line 1**. Use 2003 Tax Rate Schedule on page 21 **50.** _____
51. **Tax on all taxable income (including capital gains and qualified dividends).** Enter the **smaller** of line 49 or line 50. Also, enter this amount on Schedule D, line 50 and line 1a of Sch. G, Form 1041 **51.** _____